

**LEGISLATIVE SERVICES AGENCY  
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

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**FISCAL IMPACT STATEMENT**

**LS 6615**

**BILL NUMBER: SB 387**

**NOTE PREPARED: Jan 6, 2009**

**BILL AMENDED:**

**SUBJECT:** Recorder Fees Deposited in Affordable Housing Fund.

**FIRST AUTHOR:** Sen. Deig

**FIRST SPONSOR:**

**BILL STATUS:** As Introduced

**FUNDS AFFECTED:**    **GENERAL**  
                          **X DEDICATED**  
                          **FEDERAL**

**IMPACT:** State & Local

**Summary of Legislation:** The bill requires (in a county other than Marion County) a county that has authorized an additional recording fee to distribute the fees to each city and town within the county that has established an affordable housing fund and, if the county has established an affordable housing fund, to the county. (Current law provides that in these counties, 60% of the money is distributed to units that have established affordable housing funds and 40% of the money is transferred to the state for deposit in the Affordable Housing and Community Development Fund.)

**Effective Date:** July 1, 2009.

**Explanation of State Expenditures:**

**Explanation of State Revenues:** *Summary-* The impact to state revenues would be forgone future revenue if a county other than Marion adopts the affordable housing fund recorder fee.

Although entitled by current law to receive 40% of the revenue from the fee, the Indiana Housing and Community Development Authority (IHCDA) reports that the state Affordable Housing and Community Development Fund (AHCDF) currently does not receive any revenue from this recorder fee.

**Background Information-** To date, Marion County (exempt from remitting 40% to the state) is the only known county to adopt the recorder fee for an affordable housing fund.

AHCDF Funding Sources- The following table illustrates the state AHCDF funding sources for FY 2008 and FY 2009 to date.

<b>Year</b>	<b>Indiana Finance Authority (United Airlines Settlement)</b>	<b>Tobacco Products Tax</b>	<b>Recorder Fee under (IC 36-2-7-10(b)12)</b>
FY 2008	\$1,478,097	\$5,411,193	\$0
FY 2009	\$0	\$3,696,494	\$0
<b>TOTAL</b>	\$1,478,097	\$9,107,687	\$0

Recorder Fee- The fee is \$2.50 for the first page of the document to be recorded. An additional fee of \$1 is assessed for each additional page of the document.

**Explanation of Local Expenditures:**

**Explanation of Local Revenues:** *Summary-* The bill would allow a county with a local affordable housing fund to retain all revenue collected from the recorder fee associated with a local affordable housing fund. (Current law allows 60% local retainment.) The impact of this provision to county revenues (other than Marion) would be dependent on adoption of an affordable housing fund fee in the future.

**Background-** Marion County collected \$654,860 from their affordable housing fund fee between February - December 18, 2008.

**State Agencies Affected:** Treasurer of State, IHCD.

**Local Agencies Affected:** Any county (not Marion) or municipality adopting an affordable housing fund fee under IC 36-2-7-10(b)12.

**Information Sources:** Duane Jasheway, Treasurer of State, 232-0140; Stephanie Reeve, IHCD, 233-4474. Julie Voorhies, Marion County Recorder, 327-4099.

**Fiscal Analyst:** Chris Baker, 317-232-9851.